

Message Text

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EXDIS, FOR COVEY FROM ASSISTANT SECRETARY ROGERS

E.O. 11652:GDS

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SUBJECT: DRAFT STATEMENT BY THE SECRETARY TO THE HOUSE
INTERNATIONAL RELATIONS COMMITTEE

1. THE WESTERN HEMISPHERE IS, FOR US, A REGION OF SPECIAL
TIES AND SPECIAL INTERESTS. THIS WILL BE MORE, NOT LESS
SO, IN THE YEARS AHEAD.
2. THE NATIONS OF LATIN AMERICA ARE IN A PROCESS OF CHANGE.
THEY ARE EXPERIENCING A TRANSITION, INTERNALLY, FROM THE
RIGID TO THE DYNAMIC, INTERNATIONALLY, FROM DEPENDENCE
TO INTERDEPENDENCE. AND THE FABRIC OF THEIR TIES TO OUR
COUNTRY IS ALSO CHANGING IN THE PROCESS, TO A MORE OPEN
RELATIONSHIP, ONE WHICH NOW TURNS, NOT ON THE INSTINCTS
OF EARLIER TUTELAGE, THE PRETENSION OF HEGEMONY, AND THE
HABITS OF INEQUALITY, BUT ON MUTUAL RESPECT, COMMON
INTERESTS AND COOPERATIVE PROBLEM-SOLVING.
3. YET, THOUGH OUR TIES -- BILATERAL, REGIONAL,
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MULTILATERAL AND GLOBAL -- ARE IN FLUX, THE NATIONS OF
LATIN AMERICA ARE BECOMING, NOT LESS, BUT MORE IMPORTANT
TO US:

A. -- BY VIRTUE OF THEIR SIGNIFICANCE IN WORLD COMMODITY, MINERAL AND ENERGY MARKETS.

B. -- BY VIRTUE OF THE REGION'S POTENTIAL AS A MAJOR AREA OF INCREASED AGRICULTURAL OUTPUT, TO FEED THE WORLD'S HUNGRY;

C. -- BY VIRTUE OF THEIR EMERGING ROLE AS SPOKESMEN IN SUCH IMPORTANT FORUMS AS CIEC, THE LAW OF THE SEA CONFERENCE, AND THE MULTILATERAL TRADE NEGOTIATIONS IN GENEVA;

D. -- BY VIRTUE OF THEIR POSITION AS A GROUP OF, OLDER MORE SELF-CONFIDENT NATIONS WITHIN THE THIRD WORLD;

E. -- AND BY VIRTUE OF THEIR INCREASING WEIGHT IN THE INTERNATIONAL ECONOMIC EQUATION, AS THE MOST ADVANCED OF THE DEVELOPING AREAS OF THE WORLD.

4. OUR POLICY IN THE AMERICAS MUST RECOGNIZE THESE NEW REALITIES -- OF CHANGE IN LATIN AMERICA, AND OF THE INCREASING IMPORTANCE OF LATIN AMERICA TO OUR WIDER INTERESTS. WE CANNOT TAKE THE NATIONS OF THIS HEMISPHERE FOR GRANTED. WE SHOULD PUT ASIDE THE EARLIER TEMPTATIONS TO CRUSADE. WE MUST CREATE A NEW, HEALTHIER RELATIONSHIP OF GREATER EQUILIBRIUM. FOR WE SHOULD RECOGNIZE THAT IF MANKIND IS TO HOPE TO FIND REAL SOLUTIONS TO THE PROFOUND PROBLEMS OF INTERDEPENDENCE, IT IS IN THIS HEMISPHERE OF PEACE AND A COMMON TRADITION OF COOPERATION IN WHICH SUCH SOLUTIONS MAY FIRST BEGIN TO EMERGE.

5. IT WAS TO ADJUST OUR POLICY TO THESE NEW REALITIES, WHILE SEEKING TO MAINTAIN THE PRECIOUS HERITAGE OF OUR TRADITION OF COOPERATIVE PROGRESS, THAT I UNDERTOOK MY TRIP TO LATIN AMERICA.

6. -- IN VENEZUELA I SAW A COUNTRY, NOT CONTENT MERELY
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TO MANAGE ITS OWN BURGEONING AFFLUENCE, BUT DETERMINED ALSO TO PROMOTE THE COMMON DESTINY OF LATIN AMERICA. I MADE CLEAR THAT WE WELCOMED THIS, THAT WE WERE CONFIDENT THAT IT WOULD SERVE HIGHER PURPOSES THAN CONFRONTATION WITH THE UNITED STATES, AND THAT WE WERE PREPARED TO COOPERATE WITH SUCH REGIONAL ORGANIZATIONS AND INSTITUTIONS AS MIGHT EMERGE AS EXPRESSIONS OF THE INCREASED SOLIDARITY OF LATIN AMERICA. AS A CARIBBEAN LITTORAL STATE, I ALSO FOUND SERIOUS CONCERN IN VENEZUELA ABOUT CUBAN MILITARY ADVENTURISM. AND I FOUND THE VENEZUELAN'S STILL DEEPLY TROUBLED BY THEIR EXCLUSION FROM GENERAL TARIFF PREFERENCES UNDER OUR 1974 TRADE ACT; THEY CANNOT UNDERSTAND WHY THEY SHOULD BE DISCRIMINATED AGAINST WHEN THEY DID NOT

EMBARGO THEIR OIL SHIPMENTS TO US IN 1974.

7. -- BRAZIL IS ALSO AN EMERGING POWER, WITH BROADENED INTERNATIONAL INTERESTS AND RESPONSIBILITIES. THE MEMORANDUM OF AGREEMENT ON CONSULTATION WHICH I SIGNED WITH THE BRAZILIAN FOREIGN MINISTER WAS A RECOGNITION OF THAT PLAIN FACT. THE BILATERAL RELATIONSHIP BETWEEN THE UNITED STATES AND BRAZIL IS BECOMING MORE IMPORTANT AND MORE COMPLEX ALL THE TIME, PARTICULARLY WITH RESPECT TO TRADE, WHERE WE FACE A NUMBER OF ACUTE PROBLEMS. WE MUST COME TO TERMS WITH BRAZIL'S NEW WORLD ROLE, AND INSTITUTIONALIZE THE INCREASED CONSULTATIONS WHICH WILL BE REQUIRED AS A RESULT, AS WE HAVE WITH CANADA, WESTERN EUROPE AND JAPAN. THE NEW BRAZILIAN CONSULTATIVE AGREEMENT, WHILE IT REFLECTS THE REALITY OF BRAZIL'S EMERGENCE, DOES NOT CONSTITUTE AN INCIPIENT BILATERAL AXIS. NOR DOES IT IMPLY APPROVAL OF BRAZIL'S INTERNAL POLICIES OR PRACTICES, OR REPRESENT AN ATTEMPT TO MANAGE LATIN AMERICA BY PROXY. THE NATIONS OF LATIN AMERICA WOULD REJECT ANY OUTSIDE EFFORT TO APPOINT A SURROGATE OR SPOKESMAN FOR THEM, AND BRAZIL WOULD NEVER LEND ITSELF TO SUCH A SCHEME.

8. -- THE PERUVIAN EXPERIMENT OF INTERNAL DEVELOPMENT AND CHANGE SPEAKS IN A DIFFERENT IDIOM THAN BRAZIL'S, BUT IT IS ALSO ONE WITH WHICH WE CAN COOPERATE. I BELIEVE I WAS ABLE TO REASSURE THE PERUVIANS THAT WE EMBRACE THE SOCIALLY-CONSCIOUS OBJECTIVES OF THEIR REVOLU-
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TIONARY ECONOMIC PROGRAM, AND WISH THEM SUCCESS IN THEIR NATION-BUILDING EFFORTS. OUR POLICY, I SAID, IS TO RESPECT THE SOVEREIGNTY OF EACH

LATIN AMERICAN STATE AND TO CONCILIATE DIFFERENCES BEFORE THEY BECOME CONFLICTS. I URGED THEM TO DO THE SAME.

9. -- IN COLOMBIA I SAW AT FIRST HAND ANOTHER OF THE HEMISPHERE'S PRACTICING DEMOCRACIES. TRADE, AND PARTICULARLY IMPROVED ACCESS TO THE U.S. MARKET, ARE VITAL TO THE SUCCESS OF THAT DEMOCRACY. THE COLOMBIAN FOREIGN MINISTER PUT TO ME AN IMAGINATIVE IDEA FOR EXPANDING HEMISPHERIC TRADE, WHICH WE HAVE AGREED TO CONSIDER WITH CARE. WE ALSO DISCUSSED OUR COOPERATIVE EFFORTS TO CONTROL THE ILLEGAL TRAFFIC OF DANGEROUS DRUGS THROUGH COLOMBIA.

10. -- FINALLY, IN COSTA RICA, I SAW ANOTHER EXAMPLE OF DEMOCRACY AT WORK AND REAFFIRMED, ONCE AGAIN, THE IMPORTANCE OF OUR INTER-AMERICAN COMMITMENT TO HUMAN RIGHTS AND THE DIGNITY OF MAN. AT THAT TIME, ADDRESSING THE FOREIGN MINISTERS OF ALL THE CENTRAL AMERICAN STATES, I SAID THAT BASIC HUMAN RIGHTS MUST BE PRESERVED, CHERISHED

AND DEFENDED IF PEACE AND PROSPERITY ARE TO BE MORE THAN HOLLOW ACHIEVEMENTS. I ALSO OBSERVED THAT THE PROBLEMS WE CONFRONT REQUIRE, MORE THAN EVER, THE FULL AND FREE DEDICATION OF THE TALENT, ENERGY, CREATIVE THOUGHT AND ACTION OF MEN AND WOMEN, FREE FROM FEAR AND REPRESSION.

11. -- IN COSTA RICA, I ALSO EMPHASIZED THAT NO NATION CAN HOPE TO ADVANCE IF IT IS NOT SECURE, AND I REITERATED OUR FIRM COMMITMENT TO THE RIO TREATY AND TO THE PRINCIPLE OF COLLECTIVE SECURITY IN THE HEMISPHERE.

12. -- FINALLY, IN GUATEMALA I HAD THE OPPORTUNITY TO SEE AT FIRST HAND THE TRAGIC EFFECTS OF THE DEVASTATING SERIES OF EARTHQUAKES OF FEBRUARY 4 AND 6 -- AND SOMETHING OF THE EFFORTS OF OUR COUNTRY TO HELP. I PLEDGED TO GUATEMALA OUR SUPPORT FOR THEIR HEROIC EFFORTS TO REBUILD NOT ONLY IN THE MOMENT OF TRAGEDY BUT FOR THE LONG-TERM AS WELL.

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13. MY TRIP STRENGTHENED MY CONVICTION THAT A COMMON REALITY OF THIS HEMISPHERE IS DIVERSITY; YET THERE ARE GEOGRAPHICAL AND HISTORICAL BONDS WHICH WE CAN FORGE INTO SHARED EFFORTS. IF WE DO, WE CAN BUILD UPON THE UNIQUE TRADITION OF THE AMERICAS TO MAKE COOPERATION IN THIS HEMISPHERE A MODEL AND A CONTRIBUTION TO THE PROGRESS OF THE ENTIRE INTERNATIONAL COMMUNITY.

14. DURING MY TRIP I EMPHASIZED THAT THE UNITED STATES REGARDS OUR HEMISPHERIC TIES AND RESPONSIBILITIES WITH SPECIAL SERIOUSNESS. IN A SPIRIT OF SOLIDARITY, I PLEDGED

THAT WE SHOULD:

A. -- RESPOND TO THE ECONOMIC NEEDS OF THE MORE INDUSTRIALIZED NATIONS OF THE HEMISPHERE AND TO THE REGION AS A WHOLE;

B. -- ASSIST THE EFFORTS OF THE NEEDIEST NATIONS TO ADVANCE THEMSELVES;

C. -- SUPPORT AND WORK WITH LATIN AMERICAN REGIONAL EFFORTS TO ORGANIZE FOR COOPERATION AND INTEGRATION;

D. -- NEGOTIATE OUR DIFFERENCES WITH ANY NATION OR NATIONS, ON THE BASIS OF MUTUAL RESPECT AND SOVEREIGN EQUALITY, EITHER BILATERALLY OR MULTILATERALLY;

E. -- MAINTAIN OUR FIRM COMMITMENT TO MUTUAL SECURITY AGAINST ANY WHO WOULD UNDERMINE OUR COMMON EFFORT, THREATEN INDEPENDENCE OR EXPORT VIOLENCE; AND

F. -- MODERNIZE AND STRENGTHEN THE INTER-AMERICAN SYSTEM, DEVELOP NEW STRUCTURES AND PROCESSES IN THE OAS BY WORKING WITH THE OTHER MEMBER STATES TO MEET THE NEW REALITIES OF OUR RELATIONSHIP.

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15. THESE SIX POINTS MET WITH A POSITIVE RESPONSE. THERE WAS ON BOTH SIDES A RECOGNITION THAT THE TIME HAS COME TO WORK TOGETHER ON THE BASIS OF REALISM, AND THROUGH PROGRAMS WHICH HOLD THE POSSIBILITY OF CONCRETE PROGRESS. CONFIDENTIAL

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16 THE EXECUTIVE BRANCH WILL BE TURNING NOW TO A PROGRAM OF ACTION TO IMPLEMENT OUR GOALS. WE WILL BE CONSULTING THE CONGRESS IN THE WEEKS AHEAD AS THESE PLANS TAKE CONCRETE SHAPE. BUT SOME OF THE OUTLINES OF WHAT SHOULD BE DONE ARE ALREADY CLEAR, AS ARE THE IMPORTANT ROLE AND RESPONSIBILITY OF THE CONGRESS FOR THE SUCCESS OF OUR LATIN AMERICAN POLICIES IN THE YEARS AHEAD:

A. -- THE POLITICAL THREAT OF LEGISLATIVE RETALIATION, CUTTING OFF OUR MARKET OR STOPPING MULTILATERAL AID PROJECTS, DIRECTED TO STATES WHICH DO NOT FOLLOW OUR PRINCIPLES IN NATIONALIZING PROPERTY OR IN THE TREATMENT OF THEIR OWN CITIZENS, ARE MATTERS OF GRAVE CONCERN IN LATIN AMERICA.

B. -- IN TRADE, THE TRADE ACT'S SYSTEM OF GENERALIZED PREFERENCES WAS AN IMPORTANT ADVANCE IN OUR RELATIONSHIP WITH LATIN AMERICA, FOR THE DEVELOPMENT ASPIRATIONS OF THE NATIONS OF THE AMERICAS DEPENDS ON IMPROVED ACCESS

OF THEIR EXPORTS TO WORLD MARKETS, INCLUDING OUR OWN. BUT THE EXCLUSION OF VENEZUELA AND ECUADOR FROM THE GSP SYSTEM HAS DONE US NO LITTLE DAMAGE IN THE EYES OF LATIN AMERICA. WE HOPE THAT CONGRESS CAN GIVE EARLY AND SYMPATHETIC CONSIDERATION TO REPEALING THIS HARSH AND DISCRIMINATORY LEGISLATION,

C. -- I FOUND CONSIDERABLE FEAR THAT OUR TRADE POLICIES ARE BECOMING MORE PROTECTIONIST, AS REFLECTED BY NEW COUNTERVAILING DUTY ACTIONS, ESCAPE CLAUSE CASES, AND OTHER RESTRICTIVE MEASURES TAKEN WITH REGARD TO IMPORTS FROM LATIN AMERICA IN THE PAST YEAR UNDER THE TRADE ACT. WE WILL BE EXAMINING THESE LATIN AMERICAN CONCERNS AND CONSULTING WITH THE CONGRESS ABOUT THE GENERAL PROBLEM, AND ABOUT SPECIFIC LEGISLATIVE REMEDIES, IS SUCH PROVE ESSENTIAL.

D. -- I ALSO FOUND CONTINUING CONCERN IN THE HEMISPHERE ABOUT THE IMPACT OF FLUCTUATING COMMODITY PRICES ON THEIR OWN VULNERABLE ECONOMIES. THE UNITED STATES,

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I POINTED OUT, IS NOW PREPARED TO WORK WITH OTHER COUNTRIES ON A CASE-BY-CASE APPROACH TO COMMODITY PROBLEMS. IN THIS REGARD, IN THE VERY NEAR FUTURE, THE ADMINISTRATION WILL BE REQUESTING THAT THE CONGRESS APPROVE US PARTICIPATION IN THE NEW INTERNATIONAL COFFEE AGREEMENT AND THE INTERNATIONAL TIN AGREEMENT. I HOPE CONGRESSIONAL CONSENT WILL BE FORTHCOMING, FOR THESE AGREEMENTS ARE OF VITAL IMPORTANCE TO BRAZIL, COLOMBIA AND CENTRAL AMERICA IN THE CASE OF COFFEE, AND TO BOLIVIA, IN THE CASE OF TIN, AND WILL BE SEEN THROUGHOUT THE HEMISPHERE AS EARNEST OF OUR SINCERE DESIRE TO COOPERATE IN THEIR OWN DEVELOPMENT EFFORTS.

E. -- OPENING UP TRADE CHANNELS FOR THE LATIN AMERICAN COUNTRIES WILL TAKE TIME. MEANWHILE, THESE NATIONS CONTINUE TO NEED SUBSTANTIAL DEVELOPMENT ASSISTANCE LARGELY ON NON-CONCESSIONAL TERMS, OF COURSE, TO FINANCE ESSENTIAL IMPORTS AND INVESTMENTS. THIS SESSION CONGRESS WILL BE ACTING ON SEVERAL IMPORTANT APPROPRIATIONS FOR BOTH MULTILATERAL AND BILATERAL DEVELOPMENT ASSISTANCE, INCLUDING PARTICULARLY, THE REPLENISHMENT OF THE INTER-AMERICAN DEVELOPMENT BANK. THESE MONIES WILL BE WELL SPENT. I WOULD POINT OUT THAT LATIN AMERICA'S TRADE DEFICIT WITH THE UNITED STATES LAST YEAR, IF OIL IMPORTS FROM VENEZUELA AND FROM REFINERIES IN THE CARIBBEAN ARE EXCLUDED, WAS \$5 BILLION.

F. -- ALSO NOW PENDING BEFORE THE CONGRESS IS THE PRESIDENT'S SPECIAL REQUEST FOR LEGISLATION TO PROVIDE \$25 MILLION FOR RELIEF AND REHABILITATION ASSISTANCE FOR GUATEMALA. LATER TODAY, A SUBCOMMITTEE OF YOUR COMMITTEE WILL BE HEARING TESTIMONY ON BEHALF OF THE PROPOSAL. I URGE YOUR FULL SUPPORT FOR THIS EFFORT TO BRING TIMELY ASSISTANCE TO THE VICTIMS OF THE DISASTER.

17. -- BEYOND THESE ISSUES WILL BE A SERIES OF IMPORTANT POLITICAL CONSIDERATIONS, NOT THE LEAST SIGNIFICANT OF WHICH IS THE EXTENT TO WHICH CUBA'S ACTION IN ANGOLA WILL BECOME A PRECEDENT FOR THEIR INTERVENTION IN THIS HEMISPHERE.

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18. ON THESE AND OTHER MATTERS, WE WILL BE MEETING REGULARLY WITH THE CONGRESS IN THE MONTHS AHEAD IN AN EFFORT TO FORGE A FIRMER STRUCTURE OF COOPERATIVE RELATIONSHIPS IN THE AMERICAS. THE INITIATIVE TO SHAPE OUR HEMISPHERIC POLICY IS, OF COURSE, IN THE FIRST

INSTANCE FOR THE EXECUTIVE. BUT NO POLICY, IN THIS
REGION OF THE WORLD OR ELSEWHERE, CAN SUCCEED IN THE
ABSENCE OF UNDERSTANDING, SUPPORT AND COOPERATION FROM
THE CONGRESS. LEGISLATION, WHETHER FOR GOOD OR ILL, IS
A VITAL -- INDEED, OFTEN A DECISIVE -- PART OF OUR POLICY.
WE KNOW THAT NURTURING THIS UNDERSTANDING AND SUPPORT
OF THE HOUSE AND THE SENATE FALLS IN MAJOR PART TO US IN
THE EXECUTIVE. WE CONSIDER IT A BASIC TASK TO WORK WITH
YOU, IF THE UNITED STATES IS TO ACHIEVE THE GOALS TO
WHICH THE HEMISPHERE ASPIRES IN THE YEARS AHEAD. INGERSOLL

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